

Tasking Memorandum No. 98-271

Memorandum for Commanders, Defense Contract Management Districts

Subject: Revised Test Program for Negotiation of Comprehensive Small Business Subcontracting Plans (TASKING)

Date: September 9, 1998

Suspense Date: September 30, 1998

Target Audience: Administrative Contracting Officers (ACOs), Small Business Officials, and others within DLA involved in the negotiation, review and/or approval of FY 99 Comprehensive Small Business Subcontracting Plans.

New Information/Guidance/Tools:

- The Defense Contract Management Command has played a critical role in the Comprehensive Small Business Subcontracting Plan Test Program since its inception in October 1990. This tasking directs ACOs having delegation authority to negotiate these plans and provides guidance (attached) on new initiatives and changes.
- The Principal Deputy Under Secretary of Defense (Acquisition and Technology) provided direction for the negotiation and administration of the Comprehensive Small Business Subcontracting Plans as authorized under Section 834 of P.L. 101-189 and Section 822 of P.L. 105-85 in his September 8, 1998 memorandum (attached). Administrative Contracting Officers, small business officials, and others within DCMC involved in the negotiation, review, and/or approval of FY99 comprehensive Small Business Subcontracting Plans shall comply with this direction in negotiating subcontracting plans.
- Every effort should be made to assure that plans maximize opportunities for small business, small disadvantaged business, and women-owned small business as required by policy and applicable regulations.
- Special care will be taken in the negotiation of plans to assure that Contractors understand and comply with all of the requirements of paragraph (d) of the clause at FAR 52.2 19-9, "Small, Small Disadvantaged and Women-Owned Small Business Subcontracting Plan." This includes the maintenance of required records of purchase actions as detailed in that clause. Specifically, contractors are required to maintain such records and shall make them available for periodic review by the small business specialists that have cognizance over the geographic areas in which the contractors' purchasing activities are located and other appropriate government personnel such as the Inspector General and the General Accounting Office.
- Be sure to get coordination on the comprehensive plans from the Agency Director of Small and Disadvantaged Business Utilization (or his or her designee) prior to acceptance by the contracting officer.
- This policy has been coordinated with the Director of Small and Disadvantaged Business Utilization.
- PLAS code for this process: Process Code -- 093, Small and Disadvantaged Business Subcontracting Plans.

Point of Contact for Further Information:

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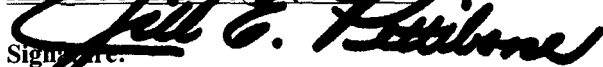
OR

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Signature:

Jill E. Pettibone

Executive Director

Contract Management Operations

Attachment:

OSD Memorandum dated September 2, 1998, Comprehensive Small Business Subcontracting Plan Test Program

OSD Memorandum dated September 2, 1998, Revised Test Program for Negotiation of Comprehensive Small Business Subcontracting Plans



ACQUISITION AND
TECHNOLOGY

THE UNDER SECRETARY OF DEFENSE
3010 DEFENSE PENTAGON
WASHINGTON, D.C. 20301-3010

SEP 2 1998



MEMORANDUM FOR THE DIRECTOR, DEFENSE LOGISTICS AGENCY

SUBJECT: Comprehensive Small Business Subcontracting Plan Test Program

I ask that the Defense Logistics Agency give particular support, when requested by the military departments for contracts DLA administers, to the negotiation of comprehensive small business subcontracting plans under the Comprehensive **Small** Business Subcontracting Plan Test Program.

Required by Public Law 101-189, The Comprehensive Small Business Subcontracting Plan Test Program ("the test program") is designed to determine whether comprehensive subcontracting plans will increase subcontracting opportunities for small and disadvantaged businesses, while reducing the administrative burdens on contractors. For contractors that have negotiated a plan under the test program, the law waives the Small Business Act requirement to negotiate subcontracting plans on a contract-by-contract basis. Participating contractors must negotiate comprehensive plans each fiscal year.

Section 822 of the FY98 National Defense Authorization Act extended the test program through September 30, 2000 and also provides for use of comprehensive small business subcontracting plans by participating contractors when performing as subcontractors under **DoD** contracts. With the exception of revisions to incorporate these legislative modifications, the **DoD** test plan for **FY99** is unchanged from **FY98**.

The Defense Contract Management Command has played a critical role in the test program since its inception, having negotiated the vast majority of the existing comprehensive subcontracting plans. Owing to **DCMC's** vast experience in these negotiations, I have asked that the Component Acquisition Executives consider delegating specific authority to DCMC to continue negotiating comprehensive subcontracting plans for the remainder of the test program.

The test program points to much greater efficiencies in small business subcontract planning and greater participation of small business in the Department's purchasing. I believe these efficiencies will become requirements in **the** future, so I appreciate your support of the test program thus far and your best efforts through the next two years.

Please direct any questions to my Director of **Small** and Disadvantaged Business Utilization, Mr. Robert Neal, at (703) 614-1151.

Dave Oliver
Principal Deputy





THE UNDER SECRETARY OF DEFENSE
3010 DEFENSE PENTAGON
WASHINGTON, D.C. 20301-3010



SEP 2 1998

ACQUISITION AND
TECHNOLOGY

MEMORANDUM FOR COMPONENT ACQUISITION EXECUTIVES
DIRECTOR, DEFENSE LOGISTICS AGENCY

SUBJECT: Revised Test Program for Negotiation of
Comprehensive Small Business Subcontracting Plans

The Comprehensive Small Business Subcontracting Plan Test Program (the test program), required by section 834 of Public Law 101-189, waives the requirement for negotiation, on a contract-by-contract basis, of subcontracting plans, as required under paragraphs (4) and (5) of section 8(d) of the Small Business Act (15 U.S.C. 637(d)), for contractors that have negotiated a comprehensive subcontracting plan under the test program. The purpose of the test program is to determine whether comprehensive subcontracting plans will result in increased subcontracting opportunities for small and disadvantaged businesses, while reducing the administrative burdens on contractors.

Section 822 of the National Defense Authorization Act for Fiscal Year 1998 (Public Law 105-85) extended the test program through September 30, 2000. Section 822 also provides for use of comprehensive small business subcontracting plans by participating contractors when performing as subcontractors under DoD contracts. With the exception of revisions to incorporate these legislative modifications, the DoD test plan, and the initiatives to be discussed by contracting officers when negotiating with test program participants (attachment 1), are unchanged from those identified for FY 1998.

A comprehensive small business subcontracting plan must be negotiated each fiscal year for contractors selected to participate in the test program. The Defense Contract Management Command (DCMC) has negotiated and is administering most of the comprehensive subcontracting plans that now exist. You should consider delegating to DCMC authority to negotiate comprehensive subcontracting plans for the remainder of the test program.

To ensure the quality of the comprehensive subcontracting plan, the contracting officer, shall establish a comprehensive small business subcontracting plan negotiating team comprising representatives identified at attachment 2. In addition, the Department or Agency Director of Small and Disadvantaged Business Utilization (or his or her designee) shall coordinate on comprehensive plans prior to acceptance by the contracting officer. Such Director or designee shall also play an active role in the administration of the plan, including participation in periodic performance reviews, and shall provide the contracting officer with information on the adequacy of the contractor's compliance with the obligations of the plan.

Dave Oliver
Principal Deputy

Attachments
As stated



Initiatives - DoD Comprehensive Small Business Subcontracting Plan Test Program

- Soliciting at least one small disadvantaged business and one women-owned small business on every competitive solicitation.
- Establishing a home page **dedicated** to providing information, including procurement opportunities, to potential small business **sources** and to link this home page to the **OUSD(A&T)**, **OSADBU** home page.
- Pursuing at least one new subcontract award with an eligible Indian-owned entity in accordance with the Indian Incentive program provisions of FAR Subpart 26.1.
- Entering into at least ~~one~~ new **Mentor-Protégé** agreement with an SDB that is not part of the program at this time.
- Pursuing at least one minority institution or historically Black college or university to perform as **a** subcontractor.

Attachment 1

1

Negotiation Team Representatives - Comprehensive Subcontracting Plans

- The contracting officer who will be responsible for negotiation and approval of the comprehensive subcontracting plan and for discharging the responsibilities at FAR 19.705.
- The designated contracting activity's Associate Director of Small and Disadvantaged Business Utilization or his designee.
- The SADBUs Specialist of the cognizant contract administration activity that administers the preponderance of the prime contractor's contracts and/or the appropriate individual who will administer contractor performance under the test.
- A price analyst, production specialist, and/or other functional specialist, as appropriate.
- Additionally, the Director of Small and Disadvantaged Business Utilization of the department or agency that negotiates the plan (or designee) shall review and coordinate on the proposed plan prior to its acceptance by the contracting officer.

Attachment 2

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